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**TESTIMONY TO THE  
PUBLIC HEALTH COMMITTEE  
SUPPORTING HOUSE BILL #6088: *An Act Concerning a Dedicated Alcohol Tax to Fund  
Substance Abuse Treatment Programs***

**FEBRUARY 21, 2007**

My name is Joseph Sullivan. I am President and CEO of MCCA, a prominent alcoholism and other drug dependent and prevention organization headquartered in Danbury. I am here to speak in support of proposed House Bill #6088, An Act Concerning A Dedicated Alcohol Tax to Fund Substance Abuse Treatment Programs. I compliment Representative Malone for proposing this bill and want to tell you about how important it could be to the alcohol and drug treatment field in Connecticut.

MCCA primarily serves western Connecticut with four residential treatment centers and three outpatient clinics. We serve more than 4,000 people a year, and the primary drug of abuse is alcohol for close to 60% of our clients. Beer is the drink of choice for more than half of them. Alcohol and other drug treatment programs are particularly hard hit in the Governor's budget that was introduced last week. There is no general cost of living increase proposed in that budget. Rather there is a proposed increase for lifting low wage positions in some providers to the statewide median. The fact is most of us are not paying wages below the median because we would not be able to fill critical positions if we were. There is a significant shortage right now in licensed and certified counselors.

I would like to speak about one level of care that is primarily funded through the Department of Mental Health and Addiction Services General Assistance Behavioral Health Program. The intensive residential treatment level has nine programs currently in the state which is a decrease of 30 to 40 percent from when the General Assistance Behavioral Health Program was started. One of the reasons is because there is a great rate disparity. Of the existing nine programs two have rates of \$150 to \$175 a day. The other seven have rates of \$85 to \$110 a day. The average cost per patient day of these low rate programs is \$165, and the average rate is \$100 so you have a shortfall on average of \$65 per day. These rates were established nine years ago and have never been adjusted for cost of living. Most of the other levels of care have had cost of living adjustments at least once and in some cases multiple times. It is critical that rates for intensive residential treatment programs be increased to at least a base level of \$150 a day. This increase would cost the state \$1.2 MIL to \$1.5 MIL. A dedicated tax could support that easily. Just raising the tax on beer and designating it for rate increases for alcohol and other drug programs could pay for this and any other increases that are needed.

Connecticut's beer tax is .20 cents per gallon and has not been increased since the 1980s. Connecticut's level of beer tax places us 29<sup>th</sup> in the nation. This, for a state that has a cost of living in the top three, is absurd. Increasing the tax alone would have a reduction in underage drinking and would provide a mechanism to increase rates in critical areas of need. I know of the nine intensive residential treatment centers remaining in the state, at least three are considering closing some or all of those beds and converting them to other levels of care. We have seen a virtual elimination of the private for-profit beds in Connecticut because of the insurance managed care developments over the last 15 to 20 years. We will lose all of our short term residential capacity if we do not do something soon. Short term residential treatment is a vital component of a comprehensive treatment system and must be maintained. A dedicated alcohol tax can achieve that.